

Margin Pledge Process

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Margin Pledge

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SEBI Circular – on margin by way of pledge/repledge



CIRCULAR

SEBI/HOMIRSD/DOP/CIR/P/2020/28

February 25, 2020

To,

**All Recognised Stock Exchanges
All Recognised Clearing Corporations
All Depositories**

Dear Sir / Madam,

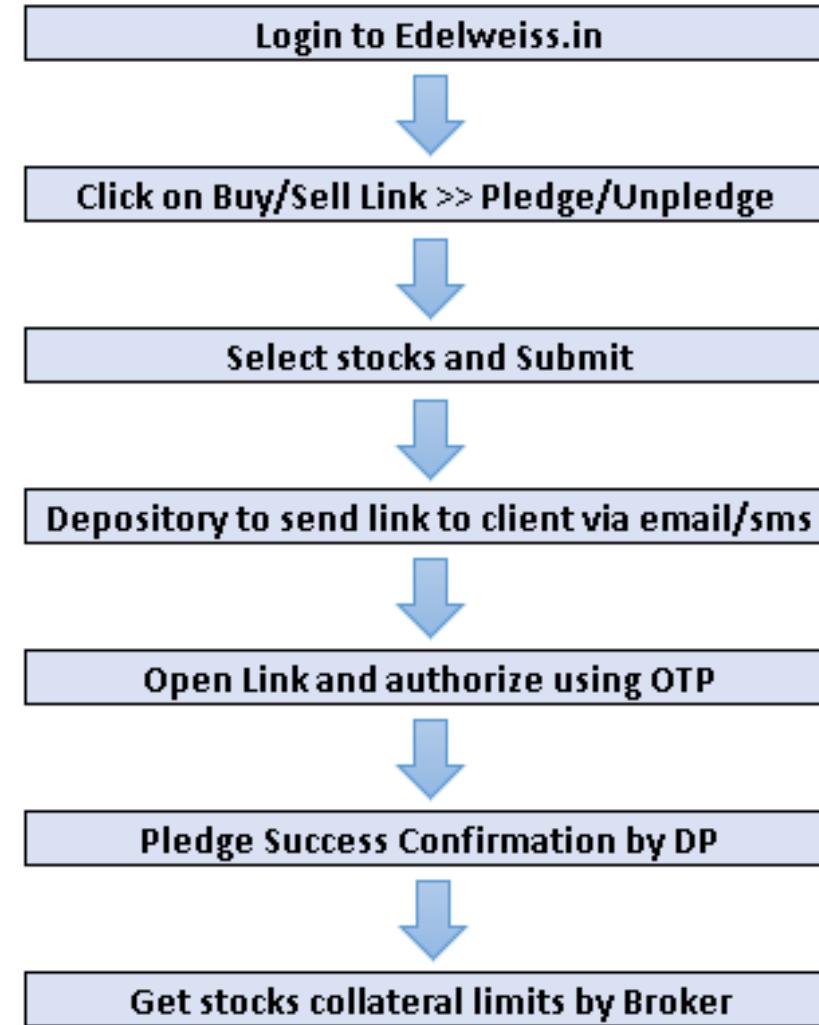
Subject: Margin obligations to be given by way of Pledge/ Re-pledge in the Depository System

1. SEBI had extensive consultations with Stock Exchanges, Clearing Corporation and Depositories and industry representatives of Trading Members (the “**TM**”) / Clearing Members (the “**CM**”) / Depository Participants (the “**DP**”), to devise a framework that mitigates the risk of misappropriation or misuse of client’s securities available with the TM / CM / DP. The misappropriation or misuse would include use of one client’s securities to meet the exposure, margin or settlement obligations of another client or of the TM / CM. The matter was also discussed in the Secondary Market Advisory Committee meeting.

Act

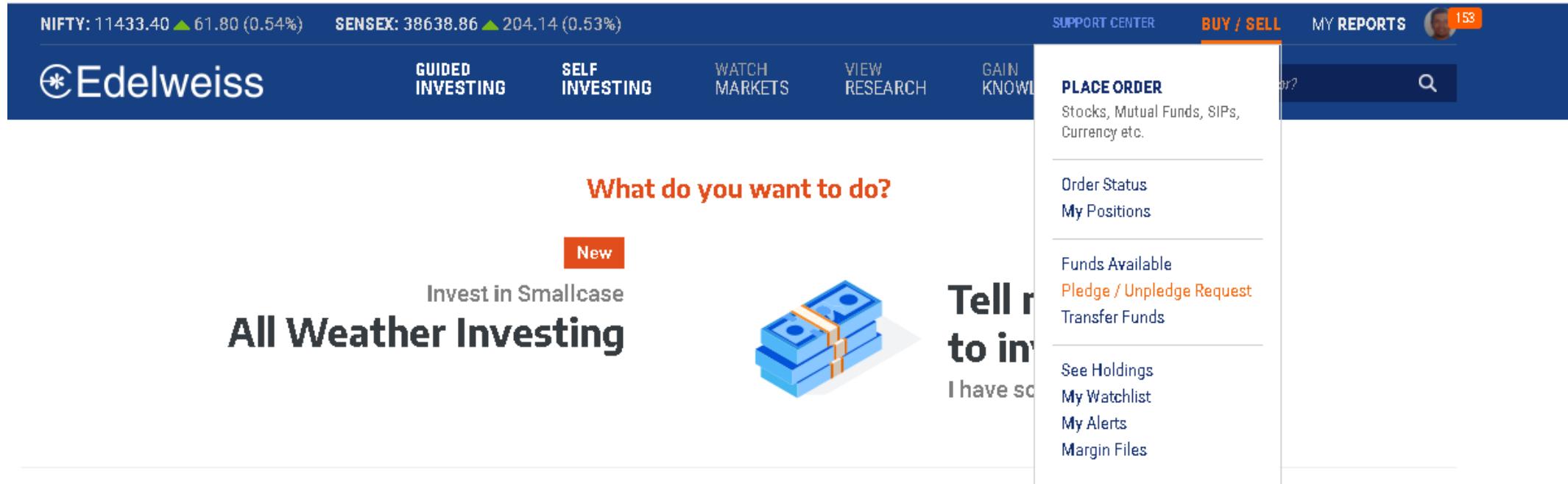
https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_46082.html

Margin Pledge Process – For POA clients



Step 1: Margin Pledge Initiation

Login to Edelweiss.in >> Click on Buy/Sell Link >> Click on Pledge/Unpledge



NIFTY: 11433.40 ▲ 61.80 (0.54%) **SENSEX: 38638.86 ▲ 204.14 (0.53%)**

Edelweiss

GUIDED INVESTING **SELF INVESTING** **WATCH MARKETS** **VIEW RESEARCH** **GAIN KNOWLEDGE**

SUPPORT CENTER **BUY / SELL** **MY REPORTS**  153

PLACE ORDER
Stocks, Mutual Funds, SIPs, Currency etc.

Order Status
My Positions

Funds Available
Pledge / Unpledge Request
Transfer Funds

See Holdings
My Watchlist
My Alerts
Margin Files

What do you want to do?

New

Invest in Smallcase

All Weather Investing



Tell me what you want to invest in

I have some specific requirements

New

I want to, Open a trading Account

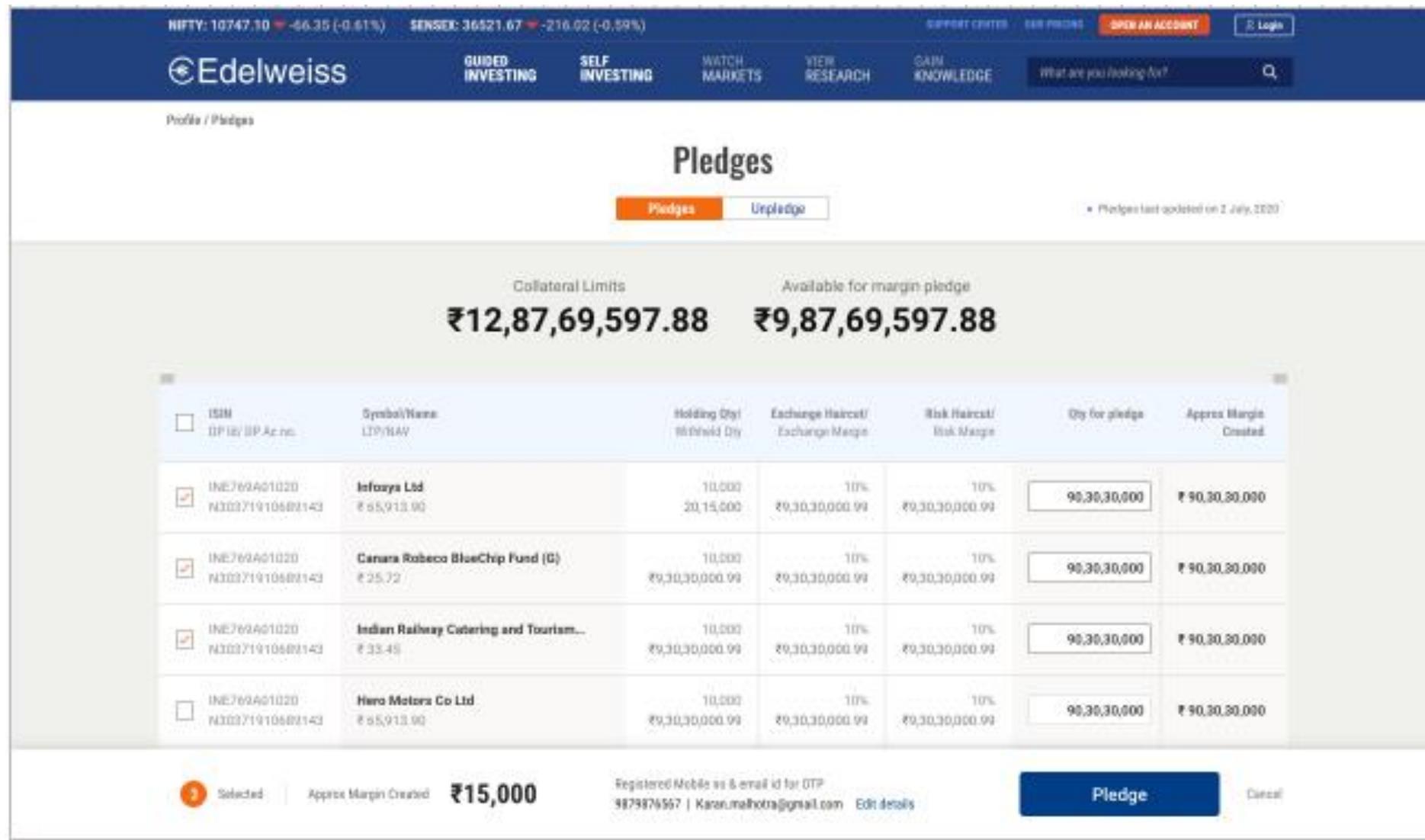


I Have A Financial Target
and want to achieve it

Take charge of your finances...
Create a financial checklist today!

Activate Windows
Go to Settings to activate Windows

Step 2: Select the stocks to pledge & Click on Pledge

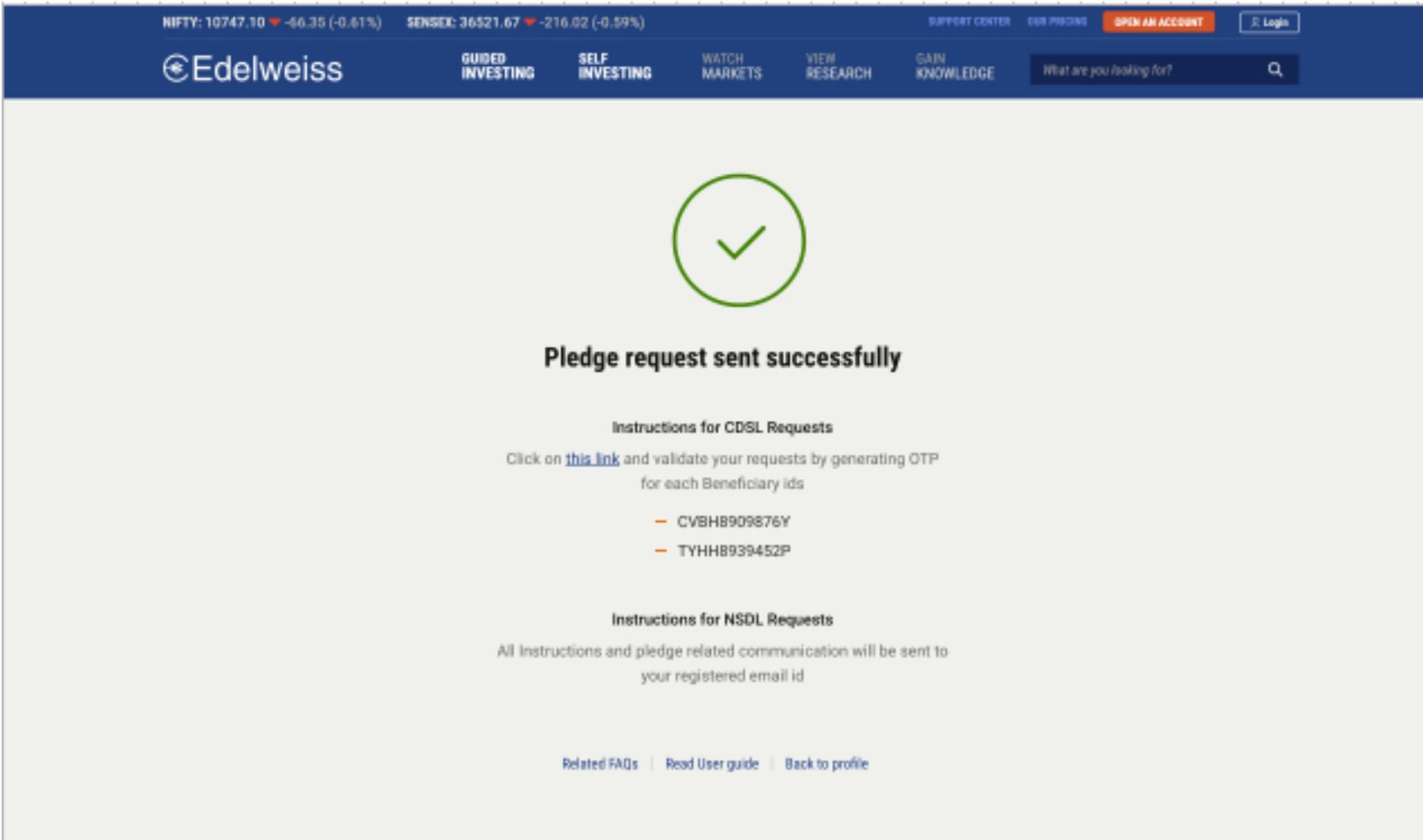


The screenshot shows the Edelweiss Pledges page. At the top, there are market indices: NIFTY: 10747.90 (-66.35 (-0.61%)) and SENSEX: 36521.67 (-216.02 (-0.59%)). The page features a navigation bar with links: SUPPORT CENTER, FAIR PRICING, OPEN AN ACCOUNT, and a Login button. The main title is "Pledges". Below the title, there are two buttons: "Pledge" (highlighted in orange) and "Unpledge". A note indicates "Pledges last updated on 2 July, 2020". The page displays two large numerical values: "Collateral Limits" (₹12,87,69,597.88) and "Available for margin-pledge" (₹9,87,69,597.88). A table lists four stocks with checkboxes for selection. The columns are: ISIN/DPID/EP Accts., Symbol/Name, Holding Qty, Exchange Margin/Exchange Margin, Risk Margin/Risk Margin, Qty for pledge, and Approx Margin Created. The stocks listed are: Infoysys Ltd, Canara Robeco BlueChip Fund (G), Indian Railway Catering and Tourism, and Hero Motors Co Ltd. The "Pledge" button is highlighted in blue at the bottom right, with a "Cancel" button next to it.

ISIN/DPID/EP Accts.	Symbol/Name	Holding Qty	Exchange Margin/Exchange Margin	Risk Margin/Risk Margin	Qty for pledge	Approx Margin Created
INE769A01020 N30371910689143	Infoysys Ltd ₹ 65,913.90	10,000 20,15,000	₹9,30,30,000.99 ₹9,30,30,000.99	10% 10%	₹9,30,30,000.99 ₹9,30,30,000.99	₹ 90,30,30,000 ₹ 90,30,30,000
INE769A01020 N30371910689143	Canara Robeco BlueChip Fund (G) ₹ 25.22	10,000 ₹9,30,30,000.99	₹9,30,30,000.99 ₹9,30,30,000.99	10% 10%	₹9,30,30,000.99 ₹9,30,30,000.99	₹ 90,30,30,000 ₹ 90,30,30,000
INE769A01020 N30371910689143	Indian Railway Catering and Tourism... ₹ 33.45	10,000 ₹9,30,30,000.99	₹9,30,30,000.99 ₹9,30,30,000.99	10% 10%	₹9,30,30,000.99 ₹9,30,30,000.99	₹ 90,30,30,000 ₹ 90,30,30,000
INE769A01020 N30371910689143	Hero Motors Co Ltd ₹ 65,913.90	10,000 ₹9,30,30,000.99	₹9,30,30,000.99 ₹9,30,30,000.99	10% 10%	₹9,30,30,000.99 ₹9,30,30,000.99	₹ 90,30,30,000 ₹ 90,30,30,000

Selected: 3 | Approx Margin Created: ₹15,000 | Registered Mobile no & email id for OTP: 9879876567 | Karan.malhotra@gmail.com | Edit details | Pledge | Cancel

Step 3: Wait for SMS/Email from your Depository and open the link in SMS/Email once you get it



The image shows a screenshot of the Edelweiss website. At the top, there is a dark blue header bar with various navigation links and market data. The market data includes 'NIFTY: 10747.10 -46.35 (-0.61%)' and 'SENSEX: 36521.67 -216.02 (-0.59%)'. The navigation links include 'GUIDED INVESTING', 'SELF INVESTING', 'WATCH MARKETS', 'VIEW RESEARCH', 'GAIN KNOWLEDGE', 'OPEN AN ACCOUNT', 'Login', and a search bar. Below the header, there is a large green circular icon with a checkmark inside. Below the icon, the text 'Pledge request sent successfully' is displayed. Underneath this, there are two sections: 'Instructions for CDSL Requests' and 'Instructions for NSDL Requests'. The CDSL section includes a link to instructions and two beneficiary IDs: 'CVBHB909876Y' and 'TYHHB939452P'. The NSDL section states that instructions and pledge related communication will be sent to the registered email ID. At the bottom of the page, there are links for 'Related FAQs', 'Read User guide', and 'Back to profile'.

NIFTY: 10747.10 -46.35 (-0.61%) SENSEX: 36521.67 -216.02 (-0.59%)

SUPPORT CENTER DER PRICING OPEN AN ACCOUNT Login

Edelweiss GUIDED INVESTING SELF INVESTING WATCH MARKETS VIEW RESEARCH GAIN KNOWLEDGE What are you looking for? Q

 Pledge request sent successfully

Instructions for CDSL Requests

Click on [this link](#) and validate your requests by generating OTP for each Beneficiary Ids

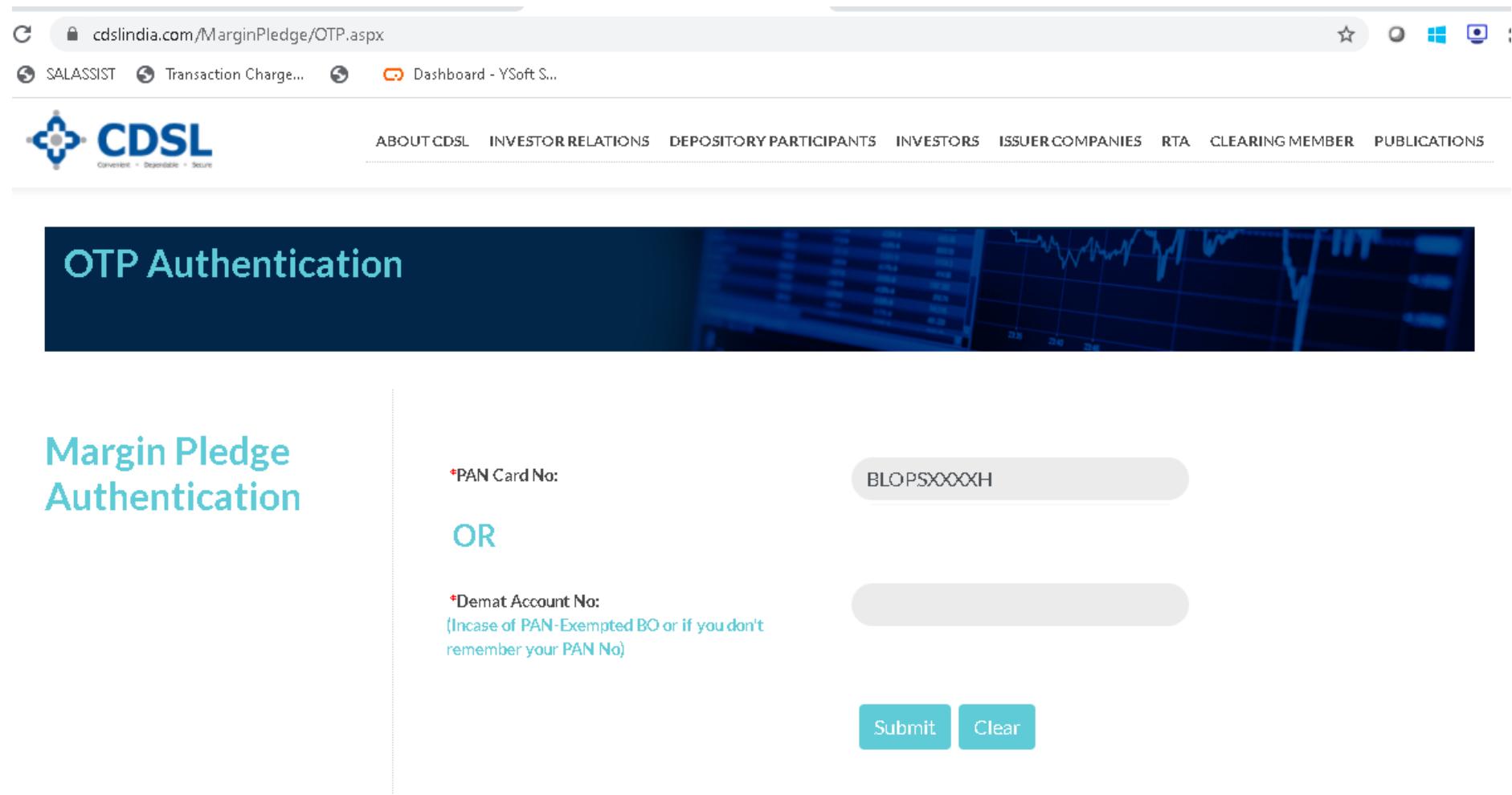
CVBHB909876Y
TYHHB939452P

Instructions for NSDL Requests

All Instructions and pledge related communication will be sent to your registered email id

Related FAQs | Read User guide | Back to profile

Step 4: Enter your Pan or Demat account no.



The screenshot shows a web browser window for the CDSL website. The URL in the address bar is `cdslindia.com/MarginPledge/OTP.aspx`. The page title is "Margin Pledge Authentication". The CDSL logo is visible on the left. The main content area has a dark blue header with the text "OTP Authentication" in white. Below this, there are two input fields: one for "PAN Card No." containing "BLOPSXXXXH" and another for "Demat Account No." which is currently empty. The word "OR" is centered between the two fields. At the bottom, there are "Submit" and "Clear" buttons.

Margin Pledge Authentication

*PAN Card No:

BLOPSXXXXH

OR

*Demat Account No:
(Incase of PAN-Exempted BO or if you don't remember your PAN No)

Submit Clear

Step 5: Select the stocks, Click on Generate OTP and enter the OTP. Click on Submit.

 CDSL
Convenient • Dependable • Secure

ABOUT CDSL INVESTOR RELATIONS DEPOSITORY PARTICIPANTS INVESTORS ISSUER COMPANIES RTA CLEARING MEMBER PUBLICATIONS

Submit Clear

	PSN No	Pledgor Bo Id	Pledgee Bo Id	ISIN No	ISIN Name	Quantity	Pledge Type
<input type="checkbox"/>	5215876	1203230000XXXX	1203230005041035	INE205A01025	VEDANTA LTD-EQ RE1/-	1.000	Margin Pledge

Generate OTP Regenerate OTP

*Kindly enter OTP received on Mobile and Email

*OTP:

Submit

Important Information:

Your OTP is valid for 15 minutes from the time of request. If you have not used this OTP within 15 minutes, please request for a fresh OTP.

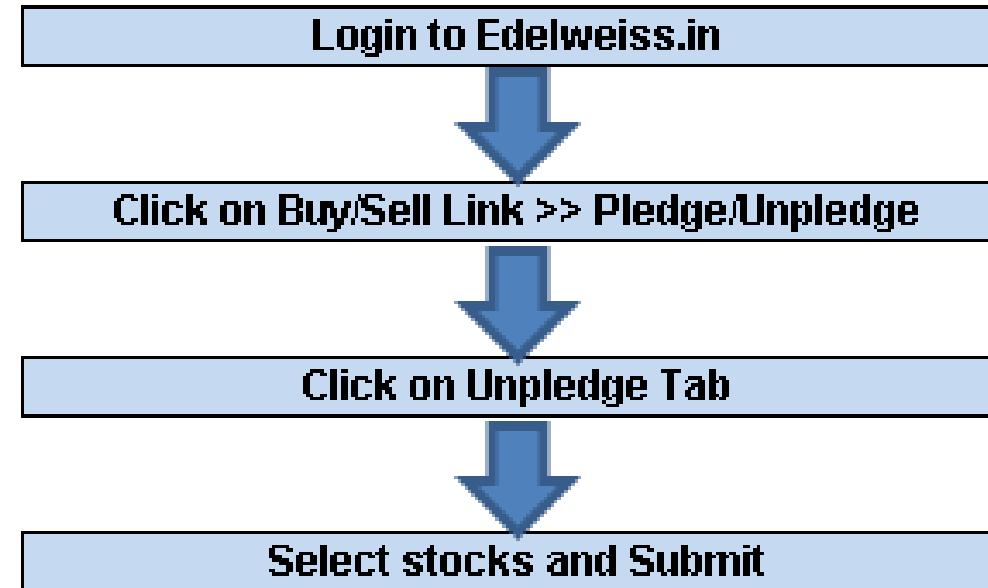
Margin Pledge Process - NON-POA/Outside DP clients:

1. Pledge process for Client who have not given POA will have to visit their respective depositories website/app to initiate pledge on stocks.
2. Only once the pledge is initiated and authorized, they will get limits against stocks collateral and their pledged stocks will be considered for exchange margin reporting.
3. Pledge can be initiated via CDSL Easiest or NSDL Speedy applications.
4. Stocks need to be pledged in favor of:
 - Broker TM Account For Margin Pledge: Edelweiss Broking Limited
 - CDSL: 1203230005041035
 - NSDL: IN303719-11079884
 - Default Exchange-NSE
 - Default Segment – All (07)

Margin Pledge Process – For MTF Funded stocks and Stocks bought on debit (CUSA Stocks)

1. For trades initiated in the MTF product/CUSA stocks, the pledge process will be initiated by the broker on T day EOD with the depositories.
2. This will be an advance pledge requests for the stocks that the client has bought in MTF product/CUSA stocks.
3. The depositories will send a link to the client on client's registered email id and mobile number with the depositories to authorize the pledge request.
4. Client will need to authorize this pledge request as per process mentioned in earlier slide by T+1 days EOD.
5. Failure to authorize the pledge request by T+1 day EOD will lead to liquidation of MTF stocks purchased/CUSA stocks on T+3 day.

Unpledge Process



- On unpledge request is received, Broker will then validate the unpledge request at End of Day:
- If post unpledging of stocks client comes under exchange margin shortfall, then unpledge request will be rejected.
- If post unpledging of stocks client does not comes under exchange margin shortfall, then unpledge request will be processed.
- Unpledging of stocks – one or multiple stocks, fully or partially will be at the discretion of the broker depending on the margin requirements of the client.
- Cut-off time for creation of unpledge requests – 6PM.

Unpledge Request

NIFTY: 10747.10 -66.35 (-0.61%) SENSEX: 36521.67 -216.02 (-0.59%)

[OPEN AN ACCOUNT](#) [Login](#)

 [GUIDED INVESTING](#) [SELF INVESTING](#) [WATCH MARKETS](#) [VIEW RESEARCH](#) [GAIN KNOWLEDGE](#)

What are you looking for?

Profile / Pledges

Pledges

[Pledges](#) [Unpledge](#)

* Pledges last updated on 2 July, 2020

Collateral Limits							
₹12,87,69,597.88							
<input type="checkbox"/> ISIN DP Id/ DP Ac no. PSN No.	Symbol/Scheme Name LTP/NAV	Holding Qty/ Holding Value	Collateral Qty / Collateral Value	Exchange Haircut/ Exchange Margin	Risk Haircut/ Risk Margin	Qty for unpledge	Approx Margin Released
<input type="checkbox"/> INE769A01020 N30371910689143 ABCD7199435781	HEROMOTOCORP ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	₹ 90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/> INE769A01020 N30371910689143 ABCD7199435781	Canara Robeco Bluechip... ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	₹ 90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/> INE769A01020 N30371910689143 ABCD7199435781	HEROMOTOCORP ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	₹ 90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/> INE769A01020 N30371910689143 ABCD7199435781	Axis BlueChip Fund (B) ₹ 667.990	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	₹ 90,30,30,000	₹ 90,30,30,000
<input type="checkbox"/> INE769A01020 N30371910689143 ABCD7199435781	HEROMOTOCORP ₹ 65.913	10,000 ₹9,30,30,000.99	10,000 ₹9,30,30,000.99	10% ₹9,30,30,000.99	10% ₹9,30,30,000.99	₹ 90,30,30,000	₹ 90,30,30,000

Margin Pledge Charges

For Pledge and Unpledge, appropriate charges would be debited to ledger as levied by the Depository.

Charge Type	Depository	Charges
Margin Pledge	CDSL	6 Rs (5Rs Pledge + 1 Rs Repledge)
Margin Unpledge	CDSL	6 Rs (5Rs Unpledge + 1 Rs Unpledge of Repledge)
Margin Pledge – MTF	CDSL	12 Rs
Margin Unpledge – MTF	CDSL	12 Rs
Margin Pledge	NSDL	6 Rs (5Rs Pledge + 1 Rs Repledge)
Margin Unpledge	NSDL	6 Rs (5Rs Unpledge + 1 Rs Unpledge of Repledge)

<https://www.cDSLindia.com/common/DownLoadFile.aspx?eventid=DP2020-359&action=communique>

<https://nsdl.co.in/downloadables/pdf/2020-0114-Annexure.pdf>

<https://nsdl.co.in/downloadables/pdf/2020-0114-Policy-Amendments%20to%20Business%20Rules%20of%20NSDL.PDF>

Important Links:

- **SEBI Circular on Margin Pledge/Repledge:**

[https://www.sebi.gov.in/legal/circulars/jul-2020/implementation-of-sebi-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system 47190.html](https://www.sebi.gov.in/legal/circulars/jul-2020/implementation-of-sebi-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_47190.html)

[https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system 46082.html](https://www.sebi.gov.in/legal/circulars/feb-2020/margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system_46082.html)

[https://www.sebi.gov.in/legal/circulars/may-2020/implementation-of-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system-extension 46705.html](https://www.sebi.gov.in/legal/circulars/may-2020/implementation-of-circular-on-margin-obligations-to-be-given-by-way-of-pledge-re-pledge-in-the-depository-system-extension_46705.html)

Thank You